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CENTRAL INTELLIGENCE AGENCY

30 December 1957

SUBJECT: POST MORTEM ON NIE 11-4-57 (Draft for Board consideration)

1. Like its predecessor, this estimate underwent a protracted coordination running from 2 October to IAC approval on 26 November 1957. Most of the major issues again lay in the military field; the chief bone of contention was the current strength and future development of the Soviet heavy bomber and tanker force, together with the degree to which its size and composition would be influenced by the advent of other advanced weapon systems. Some differences of views were also encountered on political and economic matters.

I. FINDINGS

2. General. Our intelligence upon the USSR continues to improve gradually. The quantity of available overt information is increasing as the Soviet leaders adopt a more open attitude towards their own people on various topics, as Western contacts with both leaders and populace increase, as the scope of statistical

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secrecy is narrowed in the economic field, and as the USSR achieves successes which it considers worth bragging about. On the analytic side, it continues to be difficult to keep abreast of the relatively rapid pace of change, but we have at least become accustomed to the fact of rapid change and are attempting to allow for it in our analyses. Despite all this, however, the problem of intelligence on the USSR continues to be extremely difficult because many of the normal sources of information are severely restricted by continuing strict security controls.

3. Political intelligence. Official and unofficial information relating to the June and October purges have improved our knowledge of various groupings and attitudes within the top Soviet leadership. Covert reporting in this field has increased in quantity, although it remains difficult to evaluate. But most of this information relates to the immediate past, and corresponding data on present and likely future developments within the leadership continues to be very sparse. Almost no information is available on the important questions of attitudes and activity within the middle and lower ranks of the Party.

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6. Economic intelligence. While certain progress has been made in the study of Soviet military expenditures, we continue to require considerable additional information on the prices the military establishment pays for goods and on detailed production

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rates, particularly for most major military end items. The scope of Soviet budgetary accounts and the reconciliation of estimated military outlays with these and other Soviet material accounts require further information and analysis. In assessing the economic impact of Soviet defense expenditures, we remain dependent on a highly aggregative measure -- the ratio of total defense expenditures to gross national product; this should be supplemented by less aggregate measures which might disclose important specific impacts. Also, an effort should be made to refine, both conceptually and factually, our dollar comparison of Soviet and US defense outlays.

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8. Military intelligence. Though our overall intelligence data on the Soviet military establishment remains inadequate, intelligence on current military strengths and capabilities has improved during the past year, both through the exploitation of new sources and the cumulative analysis of information from

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continuing sources. Our knowledge of Soviet offensive and  
defensive air capabilities has increased,

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